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HOUSE BILL 3842
By Casada

SENATE BILL 3946
By Bryson

AN ACT to amend Tennessee Code Annotated, Title 47; Title 56 and Title 63, relative to negotiations involving certain employment groups.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The following words and phrases when used in this act shall have the meanings given in this act, unless the context clearly indicates otherwise:

(1) "Attorney general" means the attorney general and reporter.

(2) "Commissioner" means the commissioner of the department of commerce and insurance.

(3) "Covered lives" means the total number of individuals who are entitled to benefits under a health care insurance plan, including, but not limited to, beneficiaries, subscribers and members of the plan.

(4) "Health care insurer" means an entity, subject to the insurance laws of this state or otherwise subject to the jurisdiction of the commissioner of commerce and insurance, that contracts or offers to contract to provide, deliver, arrange for, pay for or reimburse any of the costs of heath care services, including, but not limited to, an entity licensed under title 56, chapters 25, 26, 27, 28, 29, and 32, except as provided in Section 16. For purposes of this chapter, a third party administrator shall be considered a health care insurer when interacting with health care providers and enrollees on behalf of a health care insurer. For the purposes of this act, to the extent any health maintenance organization currently is participating in the TennCare program, that health maintenance program will not be considered a health care insurer to the extent of such current participation.

(5) "Health care insurer affiliate" means a health care insurer that is affiliated with another entity by either the insurer or entity having a five percent (5%) or greater, direct or indirect, ownership or investment interest in the other through equity, debt or other means.

(6) "Health care provider" means any person or group of persons who are licensed, certified or otherwise regulated to provide health care services under the laws of this state, including, but not limited to, a physician, dentist, podiatrist, optometrist, pharmacist, osteopath, psychologist, chiropractor, physical therapist, certified nurse practitioner or nurse midwife.

(7) "Health care services" means services for the diagnosis, prevention, treatment, cure or relief of a health condition, injury, disease or illness, including, but not limited to, the professional and technical component of professional services, supplies, drugs and biologicals, diagnostic X-ray, laboratory and other diagnostic tests, preventive screening services and tests, such as pap smears and mammograms, X-ray, radium and radioactive isotope therapy, surgical dressings, devices for the reduction of fractures, durable medical equipment, braces, trusses, artificial limbs and eyes, dialysis services, home health services and hospital and other facility services.

(8) "HMO" means a health maintenance organization as regulated under title 56, chapter 32. The term includes any healthcare insurer product that requires enrollees to use health care providers in a designated provider network to obtain covered services except in limited circumstances such as emergencies.

(9) "Joint negotiation" means negotiation with a health care insurer by two (2) or more independent health care providers acting together as part of a formal entity or group or otherwise.

(10) "Joint negotiation representative" means a representative selected by a group of independent health care providers to be the group's representative in joint negotiations with a health care insurer under this chapter.

(11) "Office of attorney general" means the office of attorney general and reporter.

(12) "POS" means a point-of-service plan, including, but not limited to, a variation of an HMO that provides limited coverage for certain out-of-network services.

(13) "PPO" means a preferred provider organization. The term includes any health care insurer product, other than an HMO or POS product, that provides financial incentives for enrollees to use health care providers in a designated provider network for covered services.

(14) "Provider contract" means an agreement between a health care provider and a health care insurer that sets forth the terms and conditions under which the provider is to deliver health care services to enrollees of the insurer. The term does not include employment contracts between a health care insurer and a health care professional.

(15) "Provider network" means a group of health care providers who have provider contracts with a health care insurer.

(16) "Self-funded health benefit plan" means a plan that provides for the assumption of the cost of or spreading the risk of loss resulting from health care services of covered lives by an employer, union or other sponsor, substantially out of the current revenues, assets or any other funds of the sponsor.

(17) "Third party administrator" means an entity that provides utilization review, provider network credentialing or other administrative services for a health care insurer or a self-funded health benefit plan.

SECTION 2. In consultation with the attorney general and the commissioner, the comptroller of the treasury shall conduct a study of the feasibility and desirability of legislatively authorizing independent health care providers to negotiate with health care insurers. The comptroller of the treasury shall report written findings and recommendations no later than January 17, 2007, to the commerce, labor and agriculture committee of the senate; the commerce committee of the house of representatives; the judiciary committee of the senate; the judiciary committee of the house of representatives; and the TennCare oversight committee.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.